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FISCAL IMPACT STATEMENT

LS 6854

BILL NUMBER: SB 275

NOTE PREPARED: Dec 30, 2008

BILL AMENDED:

SUBJECT: Definition of "Textbook".

FIRST AUTHOR: Sen. Head

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill changes the definition of "textbook" in school law to include computers, computer software, interactive videodiscs, and magnetic media.

Effective Date: July 1, 2009.

Explanation of State Expenditures: Changing the definition of textbooks to include computers, computer software, interactive videodiscs, and magnetic media would include them in the allowable reimbursement for the School Textbook Reimbursement Program. The bill could double the allowable reimbursement to local schools. The reimbursement level is limited to the appropriation, so if allowable reimbursement increases with the same appropriation, then the reimbursement rate would decrease.

Background: The School Reimbursement Program provides school corporations, charter schools, and accredited nonpublic schools reimbursement from the Department of Education for a portion of the costs incurred during a school year in providing classroom instruction to children who meet the federal free and reduced lunch standards.

The appropriation for FY 2009 is \$39 M, and the reimbursement rate is estimated to be about 97.5% of the allowable cost.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill would increase the revenue for the school Textbook Rental Fund. Schools would be able to include the cost of computers, computer software, interactive videodiscs, and magnetic media in the textbook rental fee. The bill could about double the textbook rental rate for some students.

If the state does not reimburse schools at 100% of the allowable reimbursement for students eligible for free or reduced lunch, schools are allowed to increase their Debt Service Levy the following calendar year to fund the difference.

Background: Schools currently adopt textbooks on a six-year cycle and can charge a rental fee of 25% of the cost of the textbook.

Schools spent about \$93.7 M on computers for FY 2008, \$80.1 M for FY 2007, and \$78.8 M for FY 2006. It is not possible in the accounting system to separate computer expenditures into instructional and administrative.

Schools spent about \$87.6 M for FY 2008, \$84.7 M for FY 2007, \$110.3 M for FY 2006, and \$84.1 M for FY 2005 from the Textbook Rental Fund for textbooks.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources: Department of Education databases.

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